



Lake Charles Memorial Health System

Dear Governor Edwards,

Representative Lance Harris's proposed plan to eliminate the \$304 million budget shortfall this fiscal year causes us deep concern and we are writing to ask you to reject this proposal. Rep. Harris's plan includes cutting the Louisiana Department of Health by just over \$147 million dollars, in a four-month window. This type of cut to LDH would directly impact the delivery of hospital services provided through the Public-Private Partnerships and effectively halt our ability to provide services in Southwest Louisiana immediately. The domino effect of this cut would be a cessation of lease payments to LSU and the State, and thus a defunding of the LSU Med Schools.

Please keep in mind that the lease payments from the Public-Private Partnerships are a revenue generator for LSU, and thus the State. A collapse of the Public Private Partnerships due to cuts, (and subsequent loss of lease payments to LSU and the State) would INCREASE the State General Fund obligation to fund Medical Education and Indigent care, meaning it would take hundreds of millions MORE in other State General Fund dollars (i.e., from roads, higher education etc.) to attempt to operate the same Medical Education and Indigent Care program.

The loss of the \$147 million in the remaining four months of the Fiscal Year would equate to an estimated \$250 million additional loss in Federal matching funds (meaning the real cut would be nearly \$400 million). Annualized, this would be a loss of over \$1 billion-dollars in healthcare and medical education funding, and thousands of healthcare jobs. The Partner hospitals throughout Louisiana have already sustained significant cuts through the previous special session and recently undergone a renegotiation of contracts with the Administration that reconfigures financial support models.

We hope you understand the direct impact this plan would have on the constituents in your district and the ability of some Louisiana citizens to seek even basic medical attention and critical care services. The cuts proposed by Rep. Harris have been suggested as an alternative to a Special Session and to avoid using \$119 million from the "Rainy Day Fund" to alleviate the deficit. In this context, we would submit that the availability of care for treating a dialysis patient, a child with cancer or a victim of a heart attack or stroke is more important than how big of a surplus exists in the Rainy Day fund (as the Fund would still have over \$240 million in it after this withdrawal).

We humbly request that as the voice at the Capitol for the Louisiana citizens most in need, as well as the over 8,000 employees statewide who care for them, that you reject the proposal advanced by Rep. Harris.

Thank you for your consideration of this.

Sincerely,

Larry M. Graham

President/CEO

Everything Your Healthcare Should Be.